

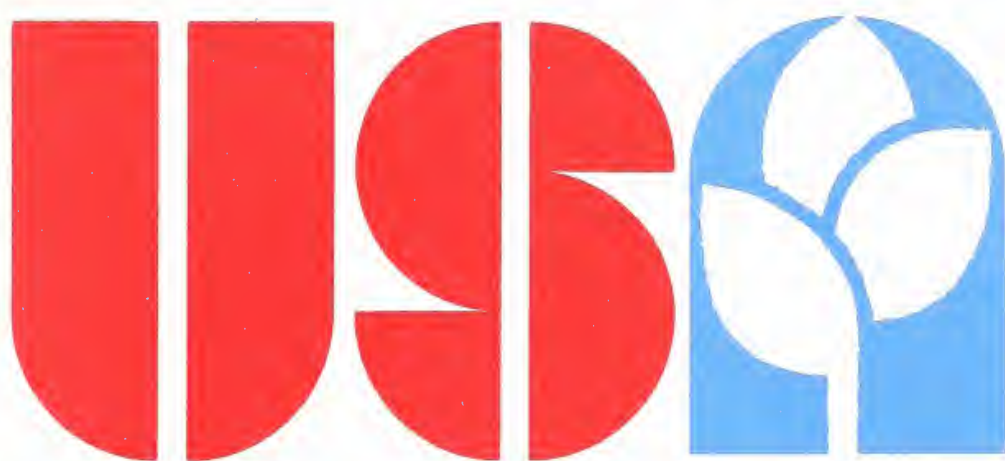
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# FOREIGN AGRICULTURE

AUGUST 21 1972



**Overseas Exhibits**  
**Promote U.S. Foods**

**FOREIGN  
AGRICULTURAL  
SERVICE**

**U.S. DEPARTMENT  
OF AGRICULTURE**

# FOREIGN AGRICULTURE

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## This week's cover:

This symbol was developed as an identifying mark for U.S. food and agricultural products overseas. Since its inception in August 1970, the symbol has been an identifying mark at over 40 exhibitions throughout Western Europe and Asia. Its repeated use will provide U.S. products with a consistent, recognizable symbol for prospective overseas buyers.

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## "New Exporters" Have Major Role in Farm Product Sales Abroad

By ELMER W. HALLOWELL  
*Assistant Administrator  
for Market Development  
Foreign Agricultural Service*

The "new exporter" of farm and food products has a major role in the continued expansion of U.S. sales overseas.

In fiscal 1972, the great bulk commodities—grains, soybeans, cotton, and rice—made up the biggest end of our record exports of \$8 billion in agricultural products. And these sales were in the hands of large and highly experienced export firms.

Nevertheless, about 40 percent of our exports consisted of livestock and meat products, poultry and poultry products, tobacco, and a variety of processed and ready-to-use items—all products where small firms play a vigorous role.

With the United States aiming at an export goal of \$10 billion within a very few years, there will be a growing opportunity for smaller companies that have no previous experience in international trade.

Why do companies export? The answer is simple: Overseas sales are additional business, and therefore, additional income. Then why do companies **not** export? There may be real and compelling reasons for not selling overseas—limited production capacity, competitive disadvantages, and artificial restrictions in other countries. But more often the American businessman is deterred by a number of misapprehensions about foreign trade.

First, he may think there is less profit from export sales than from domestic sales. Not necessarily true. Usually, export sales are at least as profitable as domestic sales because costs per additional unit are minimal. In most cases, exporting requires no additional outlays for plant and other capital improvements. Therefore, the cost/benefits ratio of exporting is heavily in the American company's favor.





Moreover, exporting helps maximize return on invested capital. And funds generated by additional export sales can help to finance capital expenditure programs and meet dividend payments. Finally, exporting can help to orient a company toward growth.

**Second**, it is sometimes assumed that if a buyer is thousands of miles away, he may be able to avoid payment. False. Overseas buyers are as trustworthy as domestic customers, and sometimes even more so.

**Third**, an American may hesitate to try exporting because he is operating a small company that has no export department. The fact is that selling abroad is basically the same as selling in the United States, though it may take somewhat more time and effort, and additional travel expenditures. But if a company has the capability to sell at home, that capability will apply equally to selling abroad. Moreover, a company that cannot or does not wish to handle the details of exporting can hire these services from various trade specialists.

**Fourth**, there may be labeling and ingredient laws and restrictions that seem insurmountable. It is well to remember that the United States has similar laws with which foreign exporters must comply, and yet they willingly do so in order to sell here. Similarly, the American exporter may have to modify a label; for example, print or overprint weights and measures in the metric system or even put the descriptive wording in the language of the country.

**Finally**, the American businessman may wonder if he can handle the different languages and customs involved, and whether he can do business with people whose habits and attitudes are so different. It is certainly true that people

like to hear their own language and see it used in correspondence. But there are many countries where English is the principal language. Moreover, English is the predominant language of international trade, and it is spoken to some degree almost everywhere in the world.

The new exporter finds that international traders are aggressive but friendly, and not difficult to do business with. They are, of course, exacting and they drive a hard bargain. Certainly, the international trading community—American and foreign—has an extraordinary grasp of the world's food products. Its members are well-traveled, with foreign traders visiting the United States in great numbers and our food people traveling extensively abroad.

Their world is one of severe and continuing competition—one where price buyers abound. Yet the United States—with less than 1 percent of the world's farmers—supplies one-fifth of total agricultural trade, shipping to more than 150 countries. American foods are wanted and purchased in other countries because of their uniformity, availability, and consistent high quality. The successful U.S. exporter must be prepared to meet those standards.

To begin with, the successful exporter must have something to sell abroad and be willing to commit a share of his production for overseas sales on a continuing and dependable basis. He must be willing to adapt his product, his service, and his packaging to market requirements just as he would in the United States.

To handle these matters, many companies have export departments of their own. Others, particularly those new to the export business, find it desirable to use the services of a Combination

Export Manager. The CEM is a firm that handles the business of several companies, usually on a minimum retaining basis, plus commission. In effect, it is the export manager for each of the companies it serves.

But whether a company uses a CEM or sets up its own export department, its goods may move through one of the following types of export firms: (a) The export merchant—a middleman who buys outright and resells abroad on his own account; (b) the export commission agency—a buyer or purchasing agency for companies who pay him in the form of a commission; (c) the export broker—who brings buyer and seller together and receives a commission on such sales.

All of these firms have a place in the export process. Each has a special knowledge of the area he is working in—the special requirements of a market, the procedures and terms involved, and the packaging and labeling needs of importing firms and countries. Such firms are able to help with such questions as how to ship and how to arrange for payment.

The handling of an overseas account is not greatly different from the handling of a domestic account. It begins with an exchange of credit references and proceeds through any one of several types of transactions.

A common means of payment is a letter of credit handled between the seller's bank and the buyer's bank overseas; a letter of credit affirms that the buyer's bank has the money or will have it in time to make payment provided the goods are delivered according to agreement.

Another payment method is the "sight draft" or "cash against docu-

ments"—in which the exporter sends documentation on the shipment to the buyer bank overseas and the buyer then authorizes payment. A variation of the sight draft is the "time draft"—which permits the buyer to receive cargo while delaying payment for a specific period. Finally, there is the "open account" which resembles the charge account system so common in American retailing.

In matters of shipping and obtaining payment, many exporters find it helpful to retain the services of still another foreign trade specialist—the international forwarding agent. The freight forwarding firm is an independent businessman usually headquartered in a port city. His job is to see that products get to their destination by the best and most efficient means. This function may also be performed within the exporting firm, particularly when the company is a large and experienced exporter.

Shippers, banks, commodity trade associations and other export-oriented commercial entities will furnish information and services, either without charge or at a small fee. Their goal is the same as the exporter's: To establish products in the export market and expand sales.

Most of these companies and offices have overseas associates or affiliates that will help a company to intensify its sales efforts. They will help to contact buyers, importers, and buying groups. They will counsel on the laws and customs of the country, where problems, if any, exist, and how to overcome them.

The U.S. Department of Commerce maintains a worldwide system of collecting and distributing information on industrial products in international trade, and for servicing trade inquiries. Its field offices in major U.S. cities are excellent sources of facts and figures. The Commerce Department operates U.S. Trade Centers in London, Stockholm, Milan, Frankfurt, Bangkok, and Tokyo, and is contemplating opening additional centers.

The Department of Interior's Bureau of Commercial Fisheries cooperates with USDA in promoting the overseas sales of U.S. fishery products.

Finally, the Foreign Agricultural Service operates a worldwide system of gathering and distributing economic and marketing information on agricul-

*(Continued on page 16)*

## International Trade Fairs Match U.S. Foods With Overseas Markets

By WILLIAM F. DOBBINS  
*International Trade Fairs Division  
Foreign Agricultural Service*

The Foreign Agricultural Service's international trade fairs program first tested the trade winds in 1955 with a small, exploratory exhibit at the famed ANUGA in Germany, probably the world's most prestigious food show.

More exhibits, always conducted with the cooperation of U.S. food and agricultural trade groups and the commercial food trade, went several ways in the next decade and a half: Participation in established international food and agricultural fairs in many countries on several continents; three huge U.S. "solo" exhibits, two in Europe and one in the Far East; regularly scheduled U.S.-only exhibits in trade centers in the United Kingdom, Italy, and Japan; and more recently, small, intense, all-trade shows held for 2 or 3 days in hotel ballrooms or similar locations throughout the world.

But regardless of the site or motif, the purpose has always been the same—to bring together the overseas buyer and the U.S. supplier amidst generous displays of American foods and other agricultural products.

Building on the age-old setting of a fair, FAS has helped—and is continuing to help—the American trade capitalize on its vast variety of foods, attractively displayed in a relatively small area. By attracting overseas buyers and providing comfortable surroundings to accommodate the give-and-take of trade talks and discussions, a trade fair can help a U.S. firm make the initial sales which lead to an enduring and profitable export trade.

Now—nearly 20 years and 300 exhibits later—the trade fair program is undergoing still more refinements. Most important is the critical study of overseas markets which pinpoints the specific products that have good sales potential: Markets and products are now "tailored to fit."

This "new look" contrasts with earlier exhibitions where any or all American food products were displayed and promoted. Some of the products never had a chance of being sold in a particular country or market; for others, opportunities were limited. Promotional money and effort obviously were not greatly effective.

Lead time for planning exhibits has been extended, and the planning team has been widened and strengthened. U.S. Agricultural Attachés and Agricultural Officers identify products with good promotional potential, often with the help of local survey groups. A new FAS staff group in Washington gathers up-to-date trade statistics on hundreds of American food and agricultural products and commodities that are exported, and their destinations. The group analyzes this information and advises exhibit planners on the best locations and products for shows.

Cooperating trade and agricultural organizations, through their U.S. and overseas offices, continue to advise on markets that have the best sales potential for their products. In recent years, State departments of agriculture and similar State groups have been cooperating with FAS on overseas exhibits. They have direct contract with exporting companies in their respective States. And many commercial companies—now exporting after their participation in trade exhibits and other promotions—are gaining substantial insights into overseas markets.

Thus, the talents, efforts, and resources of many persons—both inside and outside the U.S. Government—are continually being pooled to develop effective, promotional events that will increase exports of American foods, and enlarge the image of the United States as a dependable world supplier for farm products.



# FAS FOOD EXHIBIT SCHEDULE FOR FISCAL 1973 AND 1974

Date	Country and fair	Type of exhibit
September 27-28, 1972	United Kingdom—Glasgow. Hotel trade-only show.	Retail and catering foods, featuring holiday foods and new products.
October 2-3, 1972	United Kingdom—Leeds. Hotel trade-only show.	Same as above.
October 4-5, 1972	United Kingdom—Manchester. Hotel trade-only show.	Same as above.
October 17-19, 1972	United Kingdom—London. Trade Center Solo.	Poultry, beef, specialty frozen foods, dietetic and ethnic foods, and exotic fruits.
October 19-25, 1972	Germany—Munich. IKOFA International Fair.	Beef, turkey, citrus, and other fruits.
January 14-18, 1973	Belgium—Brussels. Food Business-HORECA.	Frozen foods and institutional packs.
Jan. 26-Feb. 4, 1973	Germany—Berlin. Green Week.	Internationally known annual food show.
March 1973	United Kingdom—Birmingham. Hotel trade-only show.	Retail and catering foods, featuring fresh fruits and vegetables and new products.
March 1973	United Kingdom—Bristol. Hotel trade-only show.	Same as above.
March 1973	United Kingdom—Exeter. Hotel trade-only show.	Same as above.
April 1973	Japan—Tokyo. Trade Center Solo.	New food products.
April 1973	Italy—Milan. International Samples Fair.	Consumer promotion for U.S. Feed Grain Council's lean pork program.
May 1973	Lebanon—Beirut. Hotel trade-only show.	Processed foods.
June 1973	Venezuela—Caracas. Hotel trade-only show.	Processed foods, with emphasis on institutional packs.
June 1973	Trinidad—Port of Spain. Hotel trade-only show.	Same as above.
September 22-27, 1973	Germany—Cologne. ANUGA International Fair.	Largest international food and beverage exhibition in Europe.
November 19-22, 1973	Switzerland—Basel. International Restaurant and Catering Show.	Institutional or catering packs of processed foods.
January 1974	Germany—Berlin. Green Week.	Internationally known annual food show.
January 1974	United Kingdom—London. Hotelympia.	Biennial exhibit for European catering trade featuring catering items.
April 1974	Japan—Tokyo. Trade Center Solo.	To be determined.
May 1974	Kuwait—Hotel trade-only show.	Processed foods.
June 1974	Netherlands Antilles—Curacao. Trade-only show.	Processed foods, with emphasis on institutional packs.
June 1974	Barbados—Bridgetown. Trade-only show.	Same as above.

This is a tentative schedule subject to change. For additional information, see the story beginning on the next page. Inquiries should be addressed to: International Trade Fairs Division, Foreign Agricultural Service, USDA, Washington, D.C. 20250.

# WORLD FOOD SHOWS UP U.S. EXPORT SALES

**GLASGOW, LEEDS, MANCHESTER, BIRMINGHAM, BRISTOL, and EXETER.** FAS has successfully carried out extensive market development activities for U.S. food products in the London area. In this metropolitan center U.S. products are well-known and a sufficient number of importers and agents have established commercial relations with U.S. suppliers to satisfy consumer demand. As one moves away from this large and highly concentrated population center, however, both awareness and availability of our products decrease.

In an effort to strengthen and widen the distribution of U.S. food products being sold in the United Kingdom, six trade-only exhibits are being planned: Three during September-October in Glasgow, Leeds, and Manchester, and three next March in Birmingham, Bristol, and Exeter.

Each 1-day show will be held in the ballroom of a leading hotel in each city and will be organized by the U.S. Agricultural Attaché's office in London. A similar series of shows is also planned for Japan.

**LONDON.** Until the fall of 1971 the United Kingdom prohibited imports of uncooked poultry meat from countries using live virus Newcastle vaccine, which included the United States.

This ban was relaxed on October 1, 1971 but the United Kingdom introduced a minimum import price system to continue to provide some protection for local industry. Beginning January 1, 1973 the United Kingdom is scheduled to become part of the EC and from then on it is expected that poultry meat will be subject to the same gate prices and variable-supplementary levy system applied to the community.

U.K. buyers have been introduced to several new U.S. poultry meat items since the relaxation of the Newcastle ban. Their reaction was favorable with special interest being shown in whole turkeys and chicken breasts. The Trade

Center show will allow U.S. exporters of poultry and frozen foods an excellent opportunity to introduce additional items.

**MUNICH.** The IKOFA show is a major international exposition held every 2 years for the food trade in southern Germany, Switzerland, Austria, and the Eastern Bloc countries. The purpose of FAS participation is to lend support to German agents of U.S. firms doing business in Germany and other Western and Eastern Bloc countries. It is estimated that some 160,000 visitors will attend this show, a large number of whom will be food buyers.

**BRUSSELS.** A recent study in Belgium disclosed that along with rising real incomes, Belgian living patterns are becoming more Americanized. Food marketing is rapidly changing and becoming more American in character. As a result of the increasing number of automobiles, refrigerators, and supermarkets, one-stop shopping is becoming more prevalent. It is generally believed

that the sale of convenience foods could increase by as much as 300 per cent by 1980.

The Food Business-HORECA Exhibition is billed as the only international industry food show for professionals in Belgium. The 1973 Food Business Exhibition will include not only food and beverages, but for the first time will include hotel and restaurant equipment and institutional packs for the ever-growing food service industry.

**BERLIN.** The International "Green Week" show is held annually in Berlin. FAS cooperates with the U.S. Information Agency in staging this yearly event, and plans to participate in both 1973 and 1974.

Prior to the erection of the Berlin Wall the show served as a "window to the West" for many of the East Germans attending this show. Since the Wall, however, the show has begun to take on more commercial aspects and now serves FAS as a vehicle for supporting German agents of U.S. firms and trade associations in increasing their coverage of German consumers.

A televised cooking demonstration in Tokyo.





**TOKYO.** Japan is the No. 1 foreign market for U.S. food and agricultural products. The headquarter offices of the major Japanese importers which account for 80-90 percent of all imports are in Tokyo. The purchasing power of Tokyo residents is about 50 percent higher than the national average, and promotional activities in the Tokyo market help maintain sales momentum and reconfirm U.S. interest in the Japanese market. The exhibit at the U.S. Trade Center will permit U.S. firms to promote products already in Japan, and to introduce new ones.

**MILAN.** Italy is a leading European market for feed ingredients from the United States. The U.S. Feed Grains Council has had a well-rounded program for several years aimed at increasing livestock numbers with the resulting increase in demand for more feed ingredients. The Trade Center will be utilized to support this ongoing program as well as to provide a promotion opportunity for the relatively few agents handling U.S. products.

**BEIRUT.** Lebanon has been the center of commercial trade, banking, and financing for the Middle East for decades. Now diminishing somewhat in importance, Lebanon continues to be a reexporter of agricultural products to other Arab States.

The solo food show will take place in the ballroom of a leading hotel and will be staged for Lebanon and neighboring Arab States. The only other exhibit in Lebanon arranged by FAS was held during 1968.

**CARACAS and PORT OF SPAIN.** These events will be 2- or 3-day trade-only exhibits in the ballroom of a leading hotel in each city. Food importers, wholesalers, chefs, food and beverage managers, and other executives of major hotels and leading restaurants, as well as large supermarket operators, will be specially invited to come to

these "solo" U.S. shows. FAS had an exhibit in Port of Spain in 1968, but the Caracas showing will be our first food show ever in this leading Latin American dollar market. These shows will be scheduled consecutively to permit firms to participate in both of them.

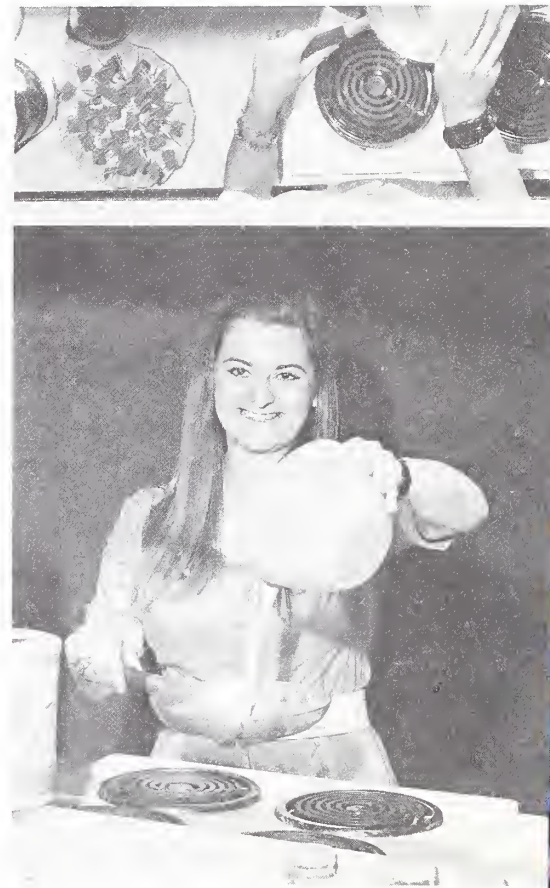
**COLOGNE.** The biennial ANUGA, the International Exhibition of Fine Foods and Provisions, is the largest and best known food show in Europe, and perhaps the world. FAS has participated in nearly every ANUGA since 1955. During the 1971 show, products from more than 60 foreign countries were seen by almost 200,000 European merchants and consumers. Proof of this show's popularity was demonstrated by a recent survey of U.S. firms: Of the 131 respondents, 66 indicated an interest in the 1973 show.

**BASEL.** IGEHO, the International Hotel, Restaurant, and Catering Exhibition will be open only to U.S. firms handling institutional or catering food packs.

Switzerland has more than 30,000 hotels and restaurants, most of which rely upon imports to supply a large part of their food requirements. While the percentage of American foods used in these outlets is relatively small in relation to total purchases, there is a good potential for increased sales of U.S. products.

**LONDON.** The biennial Hotelympia, the most important catering show in the United Kingdom, attracted about 70,000 visitors at its last meeting in January 1972. Included in the thousands of tradesmen who attended were 1,000 from outside the United Kingdom—a good indicator of the show's international importance. The 74 U.S. firms participating in the 1972 show all expressed their satisfaction with the trade contacts made at Hotelympia.

**CURACAO and BARBADOS.** U.S.



An overhead mirror helps cooking demonstration at London's Hotelympia.

food exhibits were presented on these two small—but important—Caribbean islands in 1968 and 1970, and U.S. products are well-known for quality. Both islands are relatively free from trade restrictions—Curacao is a free port—and sales prospects are good.

The 1974 shows will emphasize new products, especially those for the hotels and restaurants which cater to the extensive tourist trade; however, supermarket and other food retailers will also be invited to attend.

These 2- or 3-day shows will be held in the ballrooms of local hotels and will be scheduled consecutively to allow exhibitors to participate in both.





## U.S. Foods Draw Consumers And Trade at World Shows



*"Our Fair Lady" at produce promotion,  
London Trade Center.*



*Young Japanese consumer  
samples U.S. rice  
at Tokyo Trade Center.*



*Free samples—always popular—  
go fast at a Bangkok exhibit.*



*Attractive, well-designed exhibits,  
like this one at Tokyo Trade Fair,  
can accommodate crowds.*

*Gemutlichkeit and hamburger  
at Berlin's Green Week.*



*Buyers discuss lettuce at  
Cologne's ANUGA Fair.*



*Japanese youngsters watch  
a popcorn demonstration.*





*Mission accomplished—  
signing that sales contract.*

*Arab importers, left, examine a  
price list at a Kuwait show.*



*Sampling a ruby red grapefruit  
at London's Hotelympia.*

*German diners try "country-style"  
steak dinners at Green Week, Berlin.*



*A comfortable lounge helps  
business discussions.*





# U.S. Fresh Produce For Europe's Markets

By A. CLINTON COOK  
*Fruit and Vegetable Division  
Foreign Agricultural Service*

U.S. exporters could sell some \$25-\$50 million worth of fresh fruits and vegetables each year in Europe, according to estimates made by the Foreign Agricultural Service. Included on the list of high-potential items are radishes, iceberg lettuce, sweet corn, watermelons, cantaloupes, honeydews, grapes, plums, and nectarines.

Recent breakthroughs in transportation have played a major role in opening the European market to perishable produce from the United States. "Intermodal" containers allow the quick transfer of dry and refrigerated perishables from truck or train to ship and vice versa.

Motor trucks regularly travel from the U.S. west coast to North Atlantic ports in only 3 days; only 1 day is needed for transportation from Florida. Unit trains could keep a similar time schedule.

Fast container ships can sail from U.S. North Atlantic ports to Rotterdam in only 5 days, and virtually any destination in Western Europe is only 1 day from there. Thus perishables can travel from anywhere in the United States to anywhere in Western Europe in 8 to 12 days.

This market for U.S. produce is also enhanced by the modernization of the European marketing system, which is rapidly moving to supermarket-type distribution, with either central warehousing or improvements in the wholesale market to improve handling of highly perishable products. Currently the buying and handling of perishable items in Europe is similar to the system used in the United States.

Advances in transportation and distribution make it possible to ship U.S. produce to European markets. To make these potential sales, however, will require teamwork—a high degree of co-

ordination and cooperation between U.S. growers, shippers, packagers, transporters, researchers, and market promoters.

Teamwork is essential for many reasons. For example, U.S. transportation systems are interested in a fairly stable year-round tonnage of freight. They cannot provide expensive refrigerated containers for 6 months' use a year. The turn-around time of the containers is also important. The needed supply of containers can probably be cut in half by reductions in transit time.

While it would be difficult to attain a fairly uniform flow of all produce items year-around, it should be possible to export some items each week. Also, since intermodal containers can be used for both domestic and export shipments, large combined shipments would enhance the feasibility of developing unit trains.

To help solve transportation problems, USDA's Agricultural Research Service has established a laboratory in Rotterdam to evaluate transit problems and arrival condition. These research specialists have also been effective in educating distributors and retailers in better methods of handling produce. A few years ago about 30 percent of the container loads of radishes arrived in Europe in poor condition. Close cooperation between researchers, exporters, and transportation systems has reduced this bad arrival rate to about 2 percent.

All of the high export potential commodities listed above can be delivered to Europe in good condition if most approved practices are used. This is especially important, since the transportation systems are not interested in handling products with high loss and damage claims.

Packaging must be changed on some

commodities bound for Europe. Packaging for sweet corn, for example, must be completely changed. Only trimmed sweet corn will arrive in Europe in saleable condition. This will require a relatively high capital investment on the part of the potential exporter of corn.

Some of the commodities with good sales potential are new to European distributors and consumers. An educational effort is needed to acquaint distributors and retailers on the best methods of handling these products, and in-store promotion is highly desirable to educate consumers.

The U.S. Agricultural Attachés have developed in-store promotional programs in cooperation with chain stores. These have been most effective in moving some of these commodities through retail outlets. Generally, European importers and wholesalers of fresh fruits and vegetables are not expert in the field of market development. A new, highly perishable item cannot be dumped on the wholesale market and be expected to move quickly through the distribution system: the shelf life is too short.

Past experience has shown that the most effective method is to work with chain stores. A sale to a chain should include pricing, regular shipments, and marketing development.

A chain of stores needs a steady supply and stable prices. Agreement should be made in advance to supply a given number of container loads at either a season average price or at an agreed price for 2 or 3 months.

An overseas market cannot be tested with one container load. The agreement to test a market should include sales in selected stores over a 2-month period. Thus, the exporter and a chain store should have a mutual understanding of each party's responsibility during the test period.

FAS has developed a program during the past year to assist U.S. exporters in developing a market for some fruit and vegetable commodities and the program should be expanded this fiscal year.

A good example of how this program works can be illustrated by sales of watermelons. Europeans would not buy large melons in the past—they preferred smaller melons often referred to as "icebox" melons. The U.S. Agricul-

*(Continued on page 16)*

*Rising per capita incomes, consumer-tailored products, and vigorous promotion are developing new tastes around the world for U.S. foods.*

## Some "Best Sellers" Among U.S. Food Products Show Steady Export Gains

A quick look at a number of U.S. "best selling" food exports emphasizes the importance U.S. exporters place on careful development and servicing of overseas markets.

**ALMONDS** Over half of the U.S. almond crop is now exported with a 50 percent increase in volume over the past 3 years. The U.S. almond industry has adopted many new marketing techniques so that today's customers of California almonds can choose from over 1,000 different grades, styles, and packs.

In developing and servicing overseas markets, the industry makes long-term agreements for product tailored to end-user's need. They also make an all-out effort to maintain a quality product delivered in good condition.

Export sales to Japan in 1972 already booked are in excess of \$20 million. Another highlight is the new U.S. almond market in the Soviet Union, with sales in the 1971-72 season amounting to 2 million pounds.

**GRAPEFRUIT** Fresh grapefruit is among the fastest growing of U.S. horticultural export products. U.S. sales soared from \$15.1 million 5 years ago to \$33.7 million in fiscal 1972.

Canada has traditionally been the major market for U.S. grapefruit, but Japanese liberalization in 1971 moved that country into first place in 1 year. Sales to Japan exceeded \$18 million

in fiscal 1972 and with those to Canada, accounted for 89 percent of all U.S. grapefruit exports.

Exports to European markets have met intense competition from nearby suppliers, primarily Israel, Cyprus, and South Africa. However, high quality, increasing U.S. production, and ability to export all year, should enable U.S. grapefruit to move in greater volume to all world markets.

**LEMONS** Fresh lemon exports have steadily increased from \$16.1 million in fiscal 1965 to \$34.2 million in fiscal 1972. The export market now receives one-fourth of all U.S. production.

Shortly after liberalization in 1964, Japan became our leading market, with sales reaching \$16.2 million in fiscal 1972. An effective market promotion program in Japan has resulted in changing the lemon from a product the Japanese knew nothing about to its present popularity in a vast array of foods and beverages.

The European market, particularly France, also receives substantial quantities of U.S. lemons, which face stiff competition with lemons from Italy, the world's largest producer. Nevertheless, there is a market in Europe for topgrade fruit and the U.S. lemon is especially recognized for its quality.

**POULTRY** U.S. poultry meat continues to have a good market in the Caribbean area.

From January to June 1972, the area purchased over 16 million pounds of poultry meat valued at \$4.5 million.

Hong Kong is the second largest market in volume and third in value for U.S. poultry meat, particularly wings. Japan is also a large importer of chicken parts. These outlets are expected to continue in importance because the U.S. industry can continually supply large selective parts orders to world customers.

Turkey meat also has been successfully introduced and shows good potential growth in these markets. It continues to be the most important U.S. poultry meat export item to the European Community, mainly West Germany.

**WALNUTS** An aggressive marketing policy, stressing uniform quality and a reasonable pricing structure, is playing a major role in expanding export markets for U.S. walnuts. Overseas sales of walnuts will account for more than 10 percent of the 1971 U.S. harvest compared with less than 4 percent just 7 years ago.

Although long the world's leading walnut producer, only recently has the United States ranked as a major world supplier. The 1972 crop is forecast at 253 million pounds, in-shell basis.

Overseas markets that have shown growth in the past 3 years are Brazil, the Netherlands, the United Kingdom, and West Germany.

UNITED STATES EXPORTS, FY 1970, 1971, 1972  
[In thousands of dollars]

Commodity	1970	1971	1972	Commodity	1970	1971	1972
Chicken parts .....	15,557	16,810	18,787	Watermelon, fresh .....	2,426	3,221	3,962
Almonds .....	18,467	42,336	54,524	Melons, NEC, fresh .....	2,891	3,461	3,873
Walnuts .....	1,819	4,343	8,225	Fruit juice, conc., NEC .....	2,552	2,997	3,011
Total nuts .....	32,849	29,540	83,412	Canned veg. juice, ex. tomato .....	732	798	1,683
Lemons, fresh .....	27,845	30,076	34,150	Tomatoes, fresh .....	9,902	11,329	14,933
Grapefruit, fresh .....	14,441	14,828	33,715	Lettuce, fresh .....	12,753	14,014	16,045
Grapes, fresh .....	29,045	28,529	35,634	Total fresh vegetables .....	66,946	68,225	80,776



## Survey shows

# Prospects Good For U.S. Foods In the Caribbean

By EDWARD C. COLLINS  
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Many types of U.S. food products have a favorable sales potential in Caribbean markets, according to a recently completed survey. Resort hotels and restaurants offer the best sales prospects, but good sales potential also exists in retail outlets.

These conclusions came from an FAS-sponsored evaluation survey which was designed to followup the results of food exhibits held in three Caribbean locations last November (Kingston, Jamaica, Nov. 2-4; Willemstad, Curacao, Nov. 8-9; and Bridgetown, Barbados, Nov. 12-13).

The survey found that the 49 U.S.

*Buyers and sellers take a "turkey break" at a Barbados show.*



firms participating in these shows had confirmed over a half million dollars in sales in the Caribbean and were projecting further sales at five times that amount.

The survey also discovered that about half of the confirmed and projected sales were made by firms which had never mounted marketing efforts in the Caribbean before their participation in these trade exhibits.

The survey team also interviewed Caribbean importers—who cover Jamaica, Antigua, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad, Surinam, and the Netherlands Antilles—to test their reactions to U.S. food products. These importers stressed:

- A continuing potential for institutional type food products, especially portion control items and bulk food for further processing.

- The need for a continuing promotion program for U.S. food products, including: Whole turkeys, turkey rolls, turkey parts, chicken parts, frozen beef and pork, pickled pork products, bacon, frankfurters, luncheon meats, canned meat products, fresh, dried, frozen, and canned fruits and vegetables, cooking and salad oils, popcorn, crackers, peanut butter, snack foods, pet foods, fruit juices and nectar, breakfast cereals, sauces, shrimp, breaded oysters, and other seafood products. (Some of these items are restricted in some markets.)

- The need for more aggressive sales promotions of U.S. foods in order to recoup losses resulting from the U.S. dock strike in 1971.

- The usefulness of solo hotel trade exhibit promotions oriented to specific products and markets.

- The desirability of closer economic ties between the United States and the Caribbean, especially in view of the United Kingdom's entry into the European Community next January.

U.S. firms seeking to expand their export operations to Caribbean markets should carefully investigate import restrictions for particular markets and learn how to effectively engage in developing export marketing opportunities of their products.

A good way to find out about market potential for U.S. food products is by personal contact with the Caribbean import trade. Participation in a U.S. trade fair or other promotional activity has proven to be an effective and inexpensive method of meeting Caribbean buyers.

Present market development plans for the Caribbean place emphasis on a comprehensive program of market development activities, including solo trade fair exhibits, promotions in retail outlets, Caribbean buyer teams visiting shows in the United States, institutional food demonstrations and exhibits, and exhibits for bulk food for further processing.

Several activities are under consideration for fiscal 1973, including:

- A solo trade exhibit for Port-of-Spain and Trinidad. (See the Food Exhibit Schedule, page 5, for details.)

- A point-of-purchase promotion in the Netherlands Antilles.

- Caribbean buyer teams, which will visit U.S. exhibits (Hotel and Restaurant Show, Frozen Food Show, etc.) and make office appointments with U.S. exporters.

- A resort hotel and restaurant demonstration exhibit, tentatively scheduled in conjunction with the annual meeting of the Caribbean Hotel Association at Montego Bay, Jamaica.

Further information on any of these activities, as well as information on the sales potential of individual food products, can be obtained from: International Trade Fairs Division, Foreign Agricultural Service, USDA, Washington, D.C. 20250.

### THE NOVEMBER 1971 CARIBBEAN FOOD EXHIBITS: CONFIRMED AND PROJECTED SALES [In U.S. dollars]

Sales	Jamaica	Curacao	Barbados	Total
Confirmed sales: <sup>1</sup>				
Total, all firms .....	91,600	317,390	104,669	513,659
Firms new to market .....	45,200	149,990	85,669	280,859
Projected sales: <sup>2</sup>				
Total, all firms .....	1,281,000	1,015,000	271,000	2,567,000
Firms new to market .....	537,000	490,000	211,000	1,238,000

<sup>1</sup> Confirmed through April 1972. <sup>2</sup> Projected through June 1973.



## State Groups and FAS Join Forces To Expand Export Market Sales

Increased activity on the part of the State Departments of Agriculture and associated State agencies and the Foreign Agricultural Service is bringing an increasing number of firms into the agricultural export business, and making foreign buyers more aware of U.S. food and agricultural products.

Some States are working with FAS to promote exports of their products through regional groups: Mid-America International Agri-Trade Council (MIATCO); Atlantic International Marketing Association (AIM); and the new Pacific Northwest International Trade Council.

Some of the promising developments which have occurred among these groups in the past year include:

- Assignment of a senior professional from FAS to work full-time at MIATCO headquarters in Chicago. Since beginning liaison work a year ago, he has aided MIATCO on two trade fairs in Tokyo, and kept important contact on export matters.

- Formation of a new four-State

council last month in the Pacific Northwest, promoting exports, including agricultural and food products. The Pacific Northwest International Trade Council, representing Washington, Oregon, Idaho, and Montana, is already at work with FAS preparing for participation in the April 1973 Tokyo Food Fair.

- The Atlantic International Marketing Association (AIM), representing North Carolina, South Carolina, Virginia, and Maryland, recently expanded to include Pennsylvania. Cooperation with FAS resulted in publication of an Export Directory in four languages this year, giving foreign buyers a good picture of agricultural products and export facilities in the AIM area.

In addition to these projects, FAS has been at work with representatives from Florida, North Carolina, Maryland, Texas, and Louisiana on a study of transportation needs and problems for agricultural products reaching the Caribbean market.

Team members of the study, which

concentrates on perishable items such as meat, poultry, and fruits and vegetables, are contacting agricultural exporters from Maine to Texas to determine their needs and problems. Later contacts with importers in the islands will enable team members to examine the larger export-import market as a integrated whole.

This joint State-FAS study will then be able to offer export businesses specific suggestions on how to handle the difficult transportation problems in the area, paving the way for increased sales.

FAS works with other States on a variety of projects, all with the goal of enabling U.S. businesses to enter into the agricultural export market.

In turn, the States are able to offer local services to businesses in their areas. State Departments of Agriculture work to locate companies willing to export, and solicit participation for FAS Food Exhibits overseas. The work of the State Departments forms the basis for the trade opportunity service which seeks to match foreign buyers with U.S. suppliers. And, in many cases, State officials are available to their local firms for followup work on the export programs.

## NEW TRADE OPPORTUNITY SERVICE ASSISTS U.S. EXPORTERS

A trade opportunity service developed by the Foreign Agricultural Service to assist U.S. suppliers in contacting foreign buyers is proving its worth after its first year in operation. Early results indicate several million dollars worth of sales have been generated by the program since its inception.

Since June, 1971, when the program was inaugurated, about 900 inquiries have been processed through the system. Product inquiries range widely, including such recent items as popcorn for Germany, turkey eggs for Argentina, duck feet for Hong Kong, poultry for the Canary Islands, potatoes for Nigeria, and feedgrains for Italy.

The program combines on-the-spot coverage by U.S. Agricultural Attachés of foreign trade inquiries with a computerized list of interested U.S. traders to provide a timely rundown of export possibilities.

Almost 100 countries are covered by the U.S. Agricultural Attachés in their search for export markets. Trade in-

quiries from foreign firms listing the products of interest and the quantity and quality desired are sent to the Attaché, who forwards the information promptly to Washington.

The processed inquiries are distributed directly to interested traders by mail, and through a weekly FAS trade bulletin, "Export Briefs." At the local level, State and Federal marketing specialists have been made available to provide any necessary assistance to exporters in following up on the trade inquiries.

Recent spot checks by the U.S. Agricultural Attachés show several million dollars worth of sales that can be directly attributed to the program. Other sales are developing out of contacts the foreign listings are providing to U.S. exporters.

The trade opportunity service is helping U.S. exporters generate sales on marketing trips abroad.

In a test program, the trade opportunity service provided several firms

participating in an FAS-sponsored food show in the Caribbean with the names of firms interested in importing food products from the United States. The U.S. firms sent an advance mailing to the Caribbean firms, and made plans for contacts while in the area. As a result, one company reported \$100,000 in sales of turkey rolls, and another reported finding four or five firms definitely interested in establishing export links at sometime in the future.

The service is also being used to locate U.S. firms interested in exporting and participating in foreign food promotions. State marketing specialists work with FAS in funding firms who wish to begin or expand export operations.

The service is available to all U.S. exporters as well as those interested in getting in the export business. For details, write the Export Trade Services Division, Foreign Agricultural Service, USDA, Washington, D.C. 20250.

# CROPS AND MARKETS

## GRAINS, FEEDS, PULSES, AND SEEDS

### Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Aug. 16	Change from		A year ago
		previous week		
	<i>Dol.</i>	<i>Cents</i>	<i>Dol.</i>	
	<i>per bu.</i>	<i>per bu.</i>	<i>per bu.</i>	
Wheat:				
Canadian No. 1 CWRS-14 ...	2.14	+8	1.93	
USSR SKS-14 .....	( <sup>1</sup> )	( <sup>1</sup> )	1.85	
Australian FAQ <sup>2</sup> .....	1.99	+11	1.72	
U.S. No. 2 Dark Northern				
Spring:				
14 percent .....	1.96	+2	1.90	
15 percent .....	2.02	-1	1.98	
U.S. No. 2 Hard Winter:				
13.5 percent .....	1.89	+4	1.81	
No. 3 Hard Amber Durum ...	2.00	+5	1.82	
Argentine .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
U.S. No. 2 Soft Red Winter...	( <sup>1</sup> )	( <sup>1</sup> )	1.63	
Feedgrains:				
U.S. No. 3 Yellow corn .....	1.52	+2	1.45	
Argentine Plate corn .....	1.72	0	1.64	
U.S. No. 2 sorghum .....	1.50	0	1.45	
Argentine-Granifero sorghum	1.52	0	1.48	
U.S. No. 3 Feed barley .....	1.34	+5	1.10	
Soybeans:				
U.S. No. 2 Yellow .....	4.00	+24	3.64	
EC import levies:				
Wheat <sup>3</sup> .....	<sup>4</sup> 1.82	0	1.48	
Corn <sup>5</sup> .....	<sup>4</sup> 1.21	-1	.95	
Sorghum <sup>5</sup> .....	<sup>4</sup> 1.19	-4	1.04	

<sup>1</sup>Not quoted. <sup>2</sup>Basis c.i.f. Tilbury, England. <sup>3</sup>Durum has a separate levy. <sup>4</sup>Effective October 14, 1971, validity of licenses with levies fixed in advance is a maximum of 30 days. <sup>5</sup>Italian levies are 21 cents a bu. lower than those of other EC countries. Note: Basis 30- to 60-day delivery.

## COTTON

### Greek Cotton Crop To Increase Again

Recent reports indicate that the 1972-73 Greek cotton crop (crop year beginning August 1) may exceed the 1971-72 crop by as much as 20 percent. High prices received by Greek farmers last season have stimulated a sharp increase in acreage planted to cotton in 1972-73. Cotton acreage this season is now estimated by trade at about 410,000 acres, compared to 325,000 acres in 1971-72 and a 5-year average (1966-1970) of 346,000 acres.

Production should also rise sharply, given good weather.

Approximately 540,000 bales (480 lb. net) of cotton were harvested in 1971-72, with an average per-acre yield of 798 pounds of lint cotton.

Dissatisfaction with sugar beet prices in 1971-72 has caused some farmers to switch to cotton in 1972-73. Favorable planting weather in all but the Kopais Lake region has helped to get the cotton crop off to a good start.

New efforts are being made to reduce production costs, including the import of about 50 new mechanical cotton pickers and the formation of an experimental cotton cooperative of about 21 farmers. New irrigation wells are also expected to be installed soon in northern Greece and if cotton prices remain favorable, a substantial portion of this newly irrigated land may go into cotton production.

## TOBACCO

### Canadian Tobacco Crop Hurt by Bad Weather

The Ontario Flue-Cured Tobacco Marketing Board recently estimated this year's tobacco crop could be 180 million pounds or less. The target production earlier established was for a crop of 200 million pounds, about the same as the 201.8 million pounds for the 1971 crop. Due to unfavorable weather, including some serious damage by frost, much of the crop had to be replanted and quality may be affected.

About 40 percent of the Canadian crop is exported, mostly to the United Kingdom. This reduced crop may further aggravate major problems facing the Canadian tobacco industry. Entry of the United Kingdom into the European Community, the possibility of Rhodesia reentering the world tobacco trade, and the possibility of higher prices for Canadian leaf under a new guaranteed price support system may dampen purchases of this crop for export.

The Imperial Tobacco Company, a major purchaser of Canadian leaf for the British market, also purchases heavily from the U.S. crop, which is currently selling at record high prices.

## FATS, OILS, AND OILSEEDS

### Drought Conditions Hurt India's Peanuts

The almost complete absence of monsoon rains since mid-July has resulted in drought conditions in the major peanut-producing States of Gujarat and Maharashtra. Latest reports indicate that even if adequate and well-distributed rains are received during the remainder of the monsoon



season, it will not be possible to overcome much of the damage already done.

The current assessment is that the fall harvest will be below average and that a continuation of the present drought would result in a further decline in harvest prospects.

The Indian peanut crop is an important factor in the world peanut meal export situation and is often a key determinant of India's requirements for P.L. 480 shipments of soybean oil.

The all-India final estimate of peanut production between July 1971 and June 1972 places production at 5.7 million metric tons (unshelled basis) compared with the previous estimate of 5.5 million tons. The record 1970-71 crop is now placed at 6.1 million tons.

## LIVESTOCK AND MEAT PRODUCTS

### Gap Widens Between U.S. And Canadian Pork Prices

During July, the price of Canadian pork bellies advanced from 41.6 Can. cents per pound to 48.8 cents—due to lighter hog markings and strong domestic and Japanese demand. Canadian prices averaged 6.7 cents per pound above U.S. prices in July. This compares with last January, when the Canadian price (at 29.8 cents) was 4.4 cents under the U.S. price.

The gap between the Canadian and U.S. prices is continuing to widen, and is reflected in the cross-border pork trade. During June, U.S. exports to Canada were over seven times higher than June of last year, while imports from Canada declined 14 percent. The net southward movement fell from 7.1 million pounds in June 1971 to 4.4 million pounds for June of this year.

## FRUITS, NUTS, AND VEGETABLES

### Large Australian Raisin Crop

Australia reports perfect weather conditions highlighted 1972 raisin production. Sultana production is estimated at a record 103,000 short tons, more than double the short 1971 crop and 35 percent above the 1965-69 average. Lexia raisin production totaled 6,600 tons, 20 percent above last season. The currant crop, however, was reduced by rain that fell just prior to harvest, causing split berries and mold. Currant production is estimated at 8,700 tons, 6 percent below 1971.

#### PRODUCTION OF RAISINS AND CURRANTS [in thousands of short tons]

Item	1969	1970	1971	1972 <sup>1</sup>
Raisins:				
Lexia .....	4.4	4.0	5.5	6.6
Sultana .....	44.7	94.4	50.1	103.0
Total .....	49.1	94.4	55.6	109.6
Currants .....	7.6	9.1	9.3	8.7
Grand total .....	56.7	103.5	64.9	118.3

<sup>1</sup> Preliminary.

Export sales have been excellent and virtually all of the sultana pack has been committed. Australia is making special efforts in Japan to obtain and hold a larger share of the market.

### London Prices of Canned Fruits and Juices

Quotations representing selling prices of canned fruits and juices in London, landed duty-paid in July 1972, in U.S. dollars.

Type and quality	Size of can	Price per dozen units <sup>1</sup>		Origin
		April 1972	July 1972	
<b>CANNED FRUITS</b>				
Apricot halves:				
Choice .....	2½	—	6.15	U.S.
Do .....	2½	4.29	4.30	Australia
Do .....	2½	4.01	4.01	So. Africa
Fruit cocktail:				
Choice .....	300	—	5.47	U.S.
Not specified .....	2½	4.81	4.85	Australia
Fruit salad:				
Choice .....	15 oz.	2.35	2.58	Spain
Peaches, halves:				
Fancy .....	2½	4.29	4.30	Australia
Do .....	2½	4.25	4.12	So. Africa
Do .....	2½	4.16	4.17	Australia
Do .....	2½	4.12	4.04	So. Africa
Pears:				
Fancy .....	2½	4.29	4.30	Australia
Do .....	2½	4.25	4.12	So. Africa
Choice .....	2½	—	6.98	U.S.
Do .....	2½	4.16	4.17	Australia
Do .....	2½	4.12	3.99	So. Africa
Not specified .....	15 oz.	2.45	2.45	Italy
Pineapple slices:				
Fancy .....	2½	—	6.64	U.S.
Do .....	2½	—	3.75	So. Africa
Choice .....	2½	4.22	5.24	U.S.
Do .....	2½	3.86	3.52	Taiwan
Do .....	20 oz.	2.32	2.21	Malaysia
<b>CANNED JUICES</b>				
Orange .....	46 oz.	4.90	8.47	U.S.
Do .....	43 oz.	3.60	4.82	Israel
Grapefruit .....	46 oz.	5.16	8.31	U.S.
Do .....	43 oz.	4.40	5.99	Israel

<sup>1</sup> Pounds sterling converted to U.S. dollars at rate in effect at time of quotation.

## SUGAR AND TROPICAL PRODUCTS

### Record Ivory Coast Cocoa Exports

Exports of cocoa beans by the Ivory Coast in 1971 amounted to a record 146,939 metric tons, up nearly 3 percent over 1970 exports of 143,231 tons. However, because of lower world cocoa prices, the value of the 1971 exports fell to US\$79.4 million from \$96.3 million in 1970. The Netherlands was the largest recipient of the exports taking 49,059 tons. Other major markets were the United States (25,144 tons), France (21,246 tons), and West Germany (17,887 tons).

Shipments of cocoa butter were also at record levels in 1971, totaling 8,938 tons valued at \$9.6 million.





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FOREIGN AGRICULTURE

## "New" Exporters Have a Role in Overseas Sales (Continued from page 4)

tural production and use. Key links in this system are the U.S. Agricultural Attachés and Agricultural Officers maintained by FAS in many American Embassies and Consular offices abroad. Much of the information on agriculture abroad published and distributed in the United States comes from regular reports furnished by these men.

FAS has permanent staffs in the U.S. Trade Centers in London, Tokyo, and Milan. In addition, Agricultural Attachés and Commercial Officers in American Embassies maintain extensive lists of individuals and companies in food and agricultural importing and merchandising.

FAS also has a Washington-based staff of commodity specialists who travel widely and continually investigate new, expanding, and existing markets for farm products. They serve as useful contacts for exporters.

Our competitors are using promotional programs that are sophisticated, effective, and expensive. While U.S. Government promotional funds amount to one-fourth of one percent of the value of agricultural exports, a number of producing countries spend a larger share. South Africa, Israel, Australia, New Zealand, and Denmark all spend more than 1 percent.

The U.S. program, started just 16 years ago, now reaches around the world with activity in 75 countries and

with major efforts in a dozen. Expenditures for promotion by industry and Government amounted to almost \$32 million in fiscal 1972, with \$12 million from Government and more than \$20 million by U.S. and foreign private trade groups. Major concentration is on the big markets such as Japan, West Germany, and the United Kingdom. But small markets such as Singapore

and Hong Kong are not neglected.

A major part of the program is carried out through farm industry organizations operating on a commodity basis. More than 40 of these groups work with FAS under long-term project agreements. Another 25 or so work with FAS on occasional projects. These trade groups, in turn, work with more than 125 foreign trade groups.

## U.S. Produce Sales in Europe (Continued from page 10)

tural Attaché in London arranged an in-store promotion with a major supermarket chain. Trained demonstrators taught store personnel to slice and sell pieces of melons and to offer on display. The stores quickly sold the melons at a profit, and market prospects for U.S. watermelons in the United Kingdom look good.

In contrast to this successful sale, a container load of U.S. watermelons was sold at auction in Rotterdam. This sale was a failure—both to the exporter and to the stores which purchased the melons—because retailers did not know how to slice melons and sell pieces. An educational program and introductory promotion is a necessary prerequisite for successful market introduction of fruit and vegetable products.

Most U.S. shippers of fresh products are not yet interested in supplying the export market. There are many rea-

sons for this attitude. Generally, there are losses during the first year in trying to introduce a new product in an overseas market. Thus, there is a real problem in convincing the U.S. growers and shippers that it is possible to develop a profitable export market.

The European importers of fresh products want all exports on a straight consignment basis. This is another compelling reason for working directly with the European chain stores. If the chain store buyers can be convinced that a commodity can be profitably handled, the U.S. exporter's risk is greatly minimized.

There is a large potential market for U.S. highly perishable fruits and vegetables in Europe. U.S. growers are very efficient in the production of these commodities and are experienced in grading and packaging a top quality product.